SAMA

Saskatchewan Assessment
Management Agency

ANNUAL REPORT 2010

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VISION

SAMA is the recognized leader and authority on property assessment, and Saskatchewan's service provider of choice.

MISSION

SAMA develops, regulates and delivers a stable, cost-effective assessment system that is accurate, up-to-date, universal, equitable and understandable.

To do this we focus on six key responsibilities:

Governance

We provide leadership in methods of valuation and rules of assessment.

Assessment Services

We provide property assessment valuation services.

Information

We manage a comprehensive source of property assessment information for local governments, the Province, and other clients.

Quality

We promote and practice quality control and conduct quality assurance audits.

Communications

We consult with and inform local governments and the public about property assessment.

Innovation

We incorporate best practices and utilize appropriate new technologies.

SAMA CORE VALUES

Integrity

We practice ethical and high professional standards. We conduct our business with honesty and respect for others, by honouring our commitments, and being accountable for our actions.

Professionalism

We are experts in our field, and value continuous learning and training to ensure we deliver quality products and services.

Dedication

We are committed to improving every aspect of our property assessment system. We see every challenge as an opportunity to succeed.

Solution Focused

We work collaboratively with others to understand needs and provide the best possible solutions.

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▶ VISION

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The Honourable Gordon L. Barnhart
Lieutenant Governor
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4T 1B7

Your Honour:

I have the honour to submit the 2010 Annual Report for the Saskatchewan Assessment Management Agency.

The Saskatchewan Assessment Management Agency operates on the calendar year. This report documents the period January 1, 2010 to December 31, 2010.

Respectfully submitted,

Darryl Hickie
Minister of Municipal Affairs

Honourable Darryl Hickie
Minister of Municipal Affairs
Room 307, Legislative Building
Regina SK
S4S 0B3

Mr. David Marit, President
Saskatchewan Association of Rural Municipalities
2075 Hamilton Street
Regina SK
S4P 2E1

Mayor Allan Earle, President
Saskatchewan Urban Municipalities Association
200, 2222 - 13th Avenue
Regina SK
S4P 3M7

Dear Sirs:

On behalf of the Board of Directors, I respectfully submit the 2010 Annual Report of the Saskatchewan Assessment Management Agency. The information in this report documents the period January 1, 2010 to December 31, 2010.

Yours sincerely,

Neal Hardy
Chair, Board of Directors

The Saskatchewan Assessment Management Agency (SAMA) was formed in 1987 by The Assessment Management Agency Act to develop a fair property assessment system and to provide municipalities and school divisions with cost-effective assessment services.

Responsibility for both the assessment system and assessment services – formerly held by the provincial government – was given to the independent Agency based on the recommendation of the Local Government Finance Commission. The Commission stated that the change would overcome a lack of local government authority in the assessment function, ensure adequate resources for the long-term, provide needed research and policy development, and establish a higher priority for the assessment function.

In 2010, SAMA was funded jointly by the Province and municipalities. The Agency received statutory funding from the Province for provincial program services: assessment policy research, a central database of assessment information, assessment information for provincial programs, and quality assurance. The balance of the Agency's revenue was provided by those municipalities that use the Agency's assessment services, and was obtained through a municipal requisition.

SAMA provides assessment valuation services to 754 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 827,051 properties in the province. SAMA's central office is located in Regina. The Agency provides assessment services to municipalities from six regional offices – Melfort, Regina, Saskatoon, Swift Current, Weyburn and Yorkton – and one rural office in North Battleford. In 2006, SAMA began providing assessment services under a fee-for-service contract to the City of Moose Jaw. The Agency maintains an office in Moose Jaw as part of that contractual agreement.

For 2010, the Agency's seven-member Board of Directors, appointed by the Lieutenant Governor in Council, consisted of:

- three members named by the Ministry of Municipal Affairs including the Board Chair;
- two members named by the Saskatchewan Association of Rural Municipalities (SARM);
- one member named by the Saskatchewan Urban Municipalities Association (SUMA) for urban and northern municipalities under 30,000; and
- one member named by SUMA for cities with a population exceeding 30,000.

Board members are appointed for a maximum three-year term, and may be reappointed to subsequent terms.

The SAMA Board maintains advisory committees to review policies and practices respecting assessments and to make recommendations to the Board concerning those policies and practices. Three of these committees are statutory:

- Urban Advisory Committee, representing urban and northern municipalities under 30,000 population;
- City Advisory Committee, representing cities with a population over 30,000; and,
- Rural Advisory Committee, representing rural municipalities.

One additional committee has been established by the Board:

- Commercial Advisory Committee, representing commercial and industrial property owners and others with similar interests;

SAMA also maintains a number of administrative committees to receive input and consultation on more detailed, procedural, technical and legislative issues:

- The City Assessors/SAMA Committee is a working committee comprised of assessment professionals representing all assessment service providers in the province including SAMA, the cities of Prince Albert, Regina, Saskatoon, Swift Current and a private contractor, CD Consulting. Two SAMA Board members sit as observers on the committee.

The committee provides a venue for these assessment professionals to meet on a regular basis to communicate, examine, discuss and provide recommendations on assessment specific topics regarding provincial level assessment policy, revaluation cycle programs, reinspection programs, support of value, quality assurance and mass appraisal best practices.

The committee has established and maintains a sub-committee called the Commercial Revaluation Team that is tasked to examine and give recommendations to the committee on more technical assessment issues relating to the upcoming 2013 Revaluation.

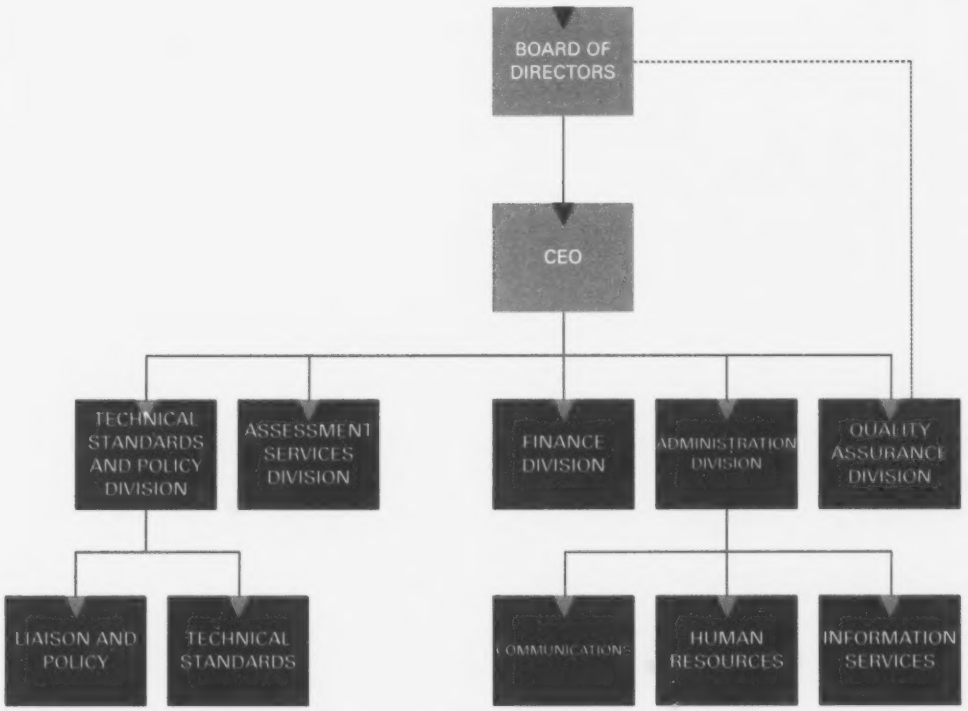
- The Legal and Legislative Review Committee, represents legal counsel and technical experts from SAMA, the Cities, the Saskatchewan School Boards Association and the provincial ministries of Municipal Affairs, Education and Justice and Attorney General. This group provides the Agency with valuable input and feedback on any proposed regulatory or legislative changes.

In addition to regular meetings of the advisory committees, SAMA holds an annual meeting, to which municipalities can send voting delegates. Business conducted at the meeting includes:

- hearing the annual report of the Board of Directors;
- considering and adopting resolutions put forth by municipalities;
- considering changes proposed by the Agency to assessment legislation; and
- considering any reports made by the Agency on matters such as assessment policy or practice and assessment administration.

SAMA

Saskatchewan Assessment Management Agency



FUNCTIONS

- Principal liaison with provincial government and cities
- Special Projects

FUNCTIONS

- Technical Standards (Assessment Manual, Training, Interpretation and Guidance Support)

FUNCTIONS

- Public Education
- Community Relations
- Stakeholder Relations
- Issues Management
- Strategic Planning
- Media Relations

FUNCTIONS

- Collective Bargaining
- Employee Relations
- Staffing & Classification
- Benefits Administration
- Central Record Keeping

FUNCTIONS

- Database Management
- Systems Development
- Technical Support

SAMA BOARD OF DIRECTORS

Back row, left to right

- Jim Angus, representing the Province
- Myron Knafelc, representing the Province
- Morgan Powell, representing Rural (term began: December 2010)
- Fred Clipsham, representing Urban

Front row, left to right

- Sharon Armstrong, representing Urban
- Neal Hardy, Chair, representing the Province
- John Wagner, representing Rural

Missing from photograph: Ron Thomas, representing the Province (term expired: June 16, 2010), Dan Danielson, representing Boards of Education (term expired: June 16, 2010), Ray Sass, representing Boards of Education (term expired: June 16, 2010), Rick Brunsdon, representing the Province (term expired: June 16, 2010), Ray Orb, representing Rural (term expired: December 2010) and Dave Kirby, representing Rural (term expired: June 16, 2010).

SAMA EXECUTIVE TEAM

Back row, left to right

- Steve Suchan, Managing Director, Technical Standards and Policy
- Penny Gingras, Executive Assistant
- Betty Rogers, Managing Director, Administration
- Gordon Sanz, Managing Director, Quality Assurance

Front row, left to right

- Todd Treslan, Assistant Managing Director, Assessment Services
- George Dobni, Managing Director, Finance
- Irwin Blank, Chief Executive Officer
- Stuart McDonald, Corporate Advisor

Missing from Photograph: Brad Korbo, Managing Director, Assessment Services

The SAMA Board of Directors is responsible for the regulation of assessment policies and governance of the property assessment system used by all urban, northern and rural municipalities in the province. This includes regulating assessment valuation procedures, conducting assessment research, consulting on policy with the provincial government, the public, municipal governments and assessment stakeholders, confirming municipal assessment rolls, maintaining a central information database and undertaking quality assurance functions, including primary and secondary audits. SAMA consults extensively to ensure the implementation of equitable and understandable assessment policies for property owners.

▶ AMENDMENTS TO *THE ASSESSMENT MANAGEMENT AGENCY ACT*

On December 1, 2009, the Government of Saskatchewan introduced Bill 127 to amend *The Assessment Management Agency Act* (AMA Act). The bill was passed in the Spring Session of the Legislature, in May 2010.

The Bill included major changes to SAMA's Board structure and funding formula, made in recognition of the modified system of education funding that was enacted in 2009.

SAMA's Board of Directors was reduced in size from eleven members to seven. The new Board includes two representatives from urban municipalities (one from municipalities over 30,000 and one from municipalities under 30,000), two representatives from rural municipalities and three government appointees including the Board Chair. The education sector members are no longer part of the SAMA Board.

SAMA's funding formula has been amended from a 40:30:30 funding arrangement, with funding previously split between the Province, the Education sector and Municipalities, to a 65:35 funding formula with government (Ministry of Finance) paying 65% of SAMA's budget and the municipal sector paying 35% of SAMA's budget. The new funding formula also allows SAMA to enter into special agreements with municipalities who may want additional services over and above that provided within basic requisition formula services.

A clause relating to Saskatchewan Municipal Board (SMB) appeal decisions has been added, stating that the decision of the appeal board must be applied in subsequent valuations of that property, unless there are physical changes to the property. This amendment is similar to SAMA's current practice in dealing with SMB appeal decisions.

Other amendments include:

Reinspections: removing the requirement to reinspect the physical characteristics and condition of residential and commercial properties at least once every 12 years, and agricultural lands at least once every 16 years.

Right of entry revisions: an updated provision to reflect current legislation and clarify that appraisers may enter a property after making reasonable efforts to notify the owner or occupier of the property, while the consent of the owner or occupier is needed to enter a private dwelling.

An immunity clause: a new provision that provides immunity from prosecution to SAMA staff when they are conducting assessment work.

▶ 2010 BUDGET CHANGES AND AGENCY RESTRUCTURING

SAMA managed a reduction of our overall expenditure levels by approximately 13% to match a reduced baseline funding level of $15.788 million. In 2010, client municipalities provided funding of $5.788 million through the municipal requisition, a figure that has not changed since 2004. The Province funded $9.565 million, a decrease of 12.7% from 2009.

In March of 2010, the Province reduced SAMA's funding by $1.390 million relative to what was provided in 2009. To manage this reduction in funding, the Agency made significant organizational changes in 2010, which included a reduction in our permanent workforce from 177.75 to 152.25 full-time staff members.

Despite this transition to a significantly smaller organization (in terms of budget reductions, administration size and Board makeup), SAMA still successfully accomplished a number of service initiatives including ongoing improvements to the timeliness of our annual maintenance work, the reinspection of over 20,000 urban and rural properties and the revising of hotel and motel assessments.

▶ 2010 MUNICIPAL REQUISITION

Client municipalities pay a requisition fee for SAMA's assessment services. The total requisition in 2010 was $5.8 million. Rural and urban portions of the requisition are kept separate. Consequently, changes in the numbers of urban properties impact only on urban municipalities while changes in the number of rural properties impact only on other rural municipalities. The total amount collected by SAMA from our client municipalities remains fixed at $5.8 million.

▶ 2010-2013 STRATEGIC DIRECTIONS

In March 2009, the SAMA Board established, in consultation with the Agency's funding stakeholders, five strategic directions to position and guide the Agency from 2010 through to 2013. These strategic directions focus on four generic perspectives – financial expectations, client and stakeholder expectations, internal business process expectations and learning and growth expectations.

SAMA prepares a performance plan each year to support its annual budget. The plan specifies the Agency's goals, objectives, key actions and performance measures for the budget year, with the additional element of planned expenditures for program objectives based on staff resources (FTEs). The performance plan is a key element of budget consultations with stakeholders that must take place prior to budget approval.

SAMA appreciates the input its stakeholders have provided to its planning process for 2010 to 2013. The Agency will continue consulting closely with stakeholders and listening carefully to what is needed to improve the Saskatchewan assessment system and the service the Agency provides for municipalities and the Province.

HOTEL AND MOTEL ASSESSMENT CHANGES FOR 2011

SAMA revised hotel and motel income approach valuation models for 2011 to ensure that they are fairer to property owners, with particular regard for adjustments to non-realty components. Non-realty value includes, but is not limited to, personal property, such as furniture, fixtures and equipment (FF&E) and management costs. SAMA will also be setting aside video lottery terminal (VLT) revenue for assessment purposes. SAMA's goal is for non-realty components to be appropriately identified and removed to ensure that assessments reflect land and building value only.

Hotel properties that have limited room rental are now valued using the cost approach to value with one exception: in municipalities where the income approach is applied to commercial property in general, SAMA will be applying comparable market rents for hotels with limited room rental. These adjustments will improve the equity between hotels with limited room rental and comparable properties such as taverns and lounges located in the same community.

Recent evidence shows that there are differences between the way hotel owners account for and report income and expenses, and the way that income and associated expenses should be applied in the assessment industry to calculate an assessed value on a property, exclusive of any going concern value. A going concern value is a value that contains both realty (assessable), and non-realty (non-assessable) components. SAMA will be using a series of adjustments to account for this difference.

To implement these improvements, SAMA revised and updated all hotel and motel assessments as part of the Agency's 2011 annual maintenance program. The revised assessments include results from updated physical data collected as part of a general reinspection of all hotel and motel properties in 2010.

REVALUATION 2013

SAMA conducts revaluations based on a four-year cycle. 2009 was the year of the last revaluation, and the 2013 Revaluation will see assessed values updated to reflect a new base date of January 1, 2011. Based on the strength of the real estate market between the last base date of June 30, 2006 and the new base date of January 1, 2011 we anticipate that assessment shifts will be higher than any revaluation since 1997.

Although local governments and the education sector already have the authority to mitigate overall/average assessment changes through their annual budget and mill rate processes, all parties will need as much time as possible to examine the assessment shifts and make tax policy decisions prior to 2013.

To mitigate this risk, SAMA plans to ensure that assessment trends and associated impacts are communicated to government and our municipal clients as soon as possible in the market analysis process. 2013 anticipated results will begin to be provided in 2011, and detailed property specific values will be provided to Municipal Affairs on or before April 1, 2012.

SAMA plans to utilize our SAMAView web application to make the individual property assessments publicly available for review and feedback ahead of the 2013 revaluation.

▶ TECHNOLOGICAL ADVANCEMENTS – DESKTOP REFRESH

In an effort to provide quality service and incorporate new technologies into the workplace, SAMA conducted an Agency-wide desktop refresh project in 2010, which saw all Agency computers replaced with updated models and updated software.

SAMA will continue to utilize resources like our web application SAMAView, which gives the public a tool to gather specific information without having to contact municipal or agency offices. The public can use this resource to confirm the accuracy of their property assessment then make informed decisions as to whether or not to appeal the assessment of their property.

To access SAMAView, please visit our website at www.sama.sk.ca and click on the SAMAView logo on our home page.

▶ GOVERNANCE

SAMA's Board of Directors occupies a central position in the governance of the Agency. The Board's general role is to foster the organization's short and long-term success consistent with its mandated objectives and accountability to stakeholders. Maintaining a positive relationship with our municipal clients is essential to a stable funding base for Saskatchewan communities, and to our joint success.

Neal Hardy,
Chair, Board of Directors

ASSESSMENT SERVICES

The Assessment Services Division provides valuation services to 754 urban, northern and rural municipalities. It is responsible for the assessed values of approximately 827,051 properties in the province. Core processes include revaluations (every four years), annual maintenance, assessment validations and general reinspections.

ANNUAL MAINTENANCE INSPECTIONS

SAMA conducts inspections of individual properties that have undergone changes, and recalculates assessment values based on this updated property information.

ASSESSMENT VALIDATION

SAMA provides its client municipalities with property assessment expertise to validate assessments at open houses and ratepayer/council meetings, and all levels of appeal – i.e. Board of Revision, Saskatchewan Municipal Board and Court of Appeal. SAMA also identifies and monitors precedent-setting assessment appeals that may have policy or procedural implications.

PROPERTY INSPECTION PROGRAMS

SAMA maintains detailed property assessment records under the annual maintenance program and the general reinspection program. The annual maintenance program ensures that individual properties with changes are inspected and new assessment values are calculated. Periodically, all properties in the municipality are reviewed under the general reinspection program.

The following is a summary of reinspection activities conducted by SAMA in 2010:

- reinspection of 8,486 agricultural parcels (quarter sections);
- reinspection of 8,619 building improvements;
- reinspection of 6,009 industrial properties;
- 36,973 non-industrial property assessments updated and 70,000 industrial property assessments updated under the annual maintenance program;
- general reinspections implemented in 8 rural and 17 urban municipalities; and
- general reinspections initiated in 5 rural and 2 urban municipalities.

SAMA initiated a 3 year program in 2010 to review commercial property assessments in client municipalities. In 2010, 4922 properties were inspected as part of this program.

SUPPORT OF VALUE

In 2010, a total of 742 property assessment appeals were filed with local Boards of Revision, and 25 of those were appealed to the Saskatchewan Municipal Board.

▶ 2013 REVALUATION

In 2010, the Assessment Services Division focused on sales verification in all jurisdictions in preparation for the 2013 revaluation, as well as focusing on preparing for 2011 market analysis.

▶ 2010 MAINTENANCE

SAMA made great progress at improving the timeliness of assessment maintenance service in 2010. As a result of process improvements, 2010 maintenance commenced earlier than the 2009 maintenance work, with 84 percent of maintenance parcels completed as of March 2, 2010. By June 7, 2010, 100 percent of maintenance was completed.

The number of client municipalities that received their annual maintenance by February 28, 2010 increased 166%, from 173 municipalities in 2009, to 461 municipalities in 2010. 631 client municipalities (82%) received their annual maintenance by March 31, 2010, which is one month before the legislated May 1st deadline for preparation of their municipal assessment roll.

The following table summarizes the 2010 maintenance target and actual completions.

	Maintenance Parcels Complete	
Date	**Target (%)**	**Actual (%)**
October 1, 2009	15	5
November 1, 2009	30	9
December 1, 2009	50	19.5
January 1, 2010	65	36
February 1, 2010	80	56.5
March 2, 2010	100	84
April 6, 2010	100	93
May 4, 2010	100	99
May 18, 2010	100	99.6
June 7, 2010	100	100

2011 maintenance commenced in May 2010, with an objective to continue to improve and advance the timelines of maintenance delivery relative to 2009 and 2010 delivery deadlines.

▶ HOTEL AND MOTEL ASSESSMENTS

SAMA revised and updated all hotel and motel assessments as part of the Agency's 2011 annual maintenance program. The revised assessments include results from updated physical data collected as part of a general reinspection of all hotel and motel properties in 2010.

▶ LEAN PHILOSOPHY

In 2008, SAMA embarked on a strategy of business improvement using the Lean philosophy. Since then, the Lean process for improvement continues to focus on reducing waste, variation and imbalance. It begins with a common sense approach to working with complex processes ensuring that clients' and stakeholders' needs are successfully met.

The Goals of Lean:

- A 25% increase in efficiency and productivity;
- Highly engaged staff, that take ownership of the business processes; and
- An Agency in a much better position to meet the increasing demands from clients.

Lean Works by:

1. Examining processes from beginning to end, across divisions and including clients, in a collaborative manner.
2. Putting decision-making power in the hands of front line staff who best understand the problems.
3. Giving staff the training and focused time needed to understand and solve problems.
4. Emphasizing solutions that work within existing staffing and technology levels.
5. Providing for continuous flow and continuous improvement.

In 2010, SAMA maintained Lean activities in 16 Value Streams. A Value Stream is a series of processes that describe a typical type of work done by the Agency. Easily identified examples of a Value Stream would be Maintenance, Support of Values, Data Verification, and Revaluations, and other recognizable activities associated with whole departments such as Quality Assurance Division or Information Services. The 2010 implementation plans for these 16 value streams began by using the Value Stream Mapping process to identify areas of waste and quality issues. From these mappings, each Value Stream generates Rapid Improvement Events (RIEs). RIEs are meetings or events where a group is tasked with identifying and implementing a solution to a specific issue. In total, SAMA implemented 64 separate RIEs in 2010.

Quality Assurance Division, Agency Planning, and Training were three new Value Streams that conducted their first Value Stream Mappings in 2010. This completed the goal of getting all SAMA divisions active in the Lean program.

SAMA has taken an early lead in Business Process Improvement using the Lean philosophy. To that aim, SAMA has invited other government departments to attend SAMA sponsored training in Lean.

As a result of the past three years of Lean activities and Process Improvements, SAMA's Stakeholders have continued to benefit from the program's goals of increasing efficiencies and providing value to our customers:

- Property reinspection productivity has surpassed the targeted 25% increase by 2011, with a 22% increase in 2009 and a further 18% increase in 2010.
- The Sales Verification program reduced the inventory of unverified sales to a manageable level of less than 7,500, as compared to the backlog of 33,450 in 2008.

As SAMA moves forward with the Lean initiative, the Agency will continue to see benefits including:

- Less time required to deliver a product, lowered costs, less inventory and fewer errors; and
- More customer responsiveness, an increased capacity for work, improved employee satisfaction and increased flexibility.

▶ THE COMPETITIVE ASSESSMENT ENVIRONMENT

Since 1995, a provision in *The Assessment Management Agency Act* has been made available that allows municipalities, other than the four major cities of Moose Jaw, Prince Albert, Regina and Saskatoon, to use alternative assessment services.

In November 2004, the Province amended this legislation to require that municipalities wishing to undertake their own valuation services receive written consent from all affected school divisions and SAMA. Before this amendment, municipalities were only required to consult with school divisions and receive the written consent of SAMA.

As of December 31, 2009, municipalities wishing to undertake their own valuation services need the prior written consent from all affected Boards of Education and the written consent of SAMA.

When the amendments to the AMA Act set out in Bill 127 became law in May 2010, SAMA and the Minister of Education's consent are now needed for a municipality to opt out, or opt back into, SAMA's valuation services. Any municipality that carries out its own valuations and revaluations is not required to make requisition payments to the Agency. Jurisdictions that employ their own appraisal personnel still must follow SAMA's assessment procedures and guidelines.

The cities of Saskatoon, Regina, Prince Albert and Swift Current do not use SAMA's valuation services. In 2006, the city of Moose Jaw entered into a long-term assessment services contract with SAMA. As of January 1, 2010, 14 other urban municipalities did not use SAMA's valuation services. The Town of Kerrobert asked SAMA to resume providing assessment services to them starting in 2010.

INFORMATION SERVICES

In 2010, the Information Services Division continued to focus on ensuring the Agency is served by modern and efficient technology.

Internally, Information Services continued to improve its service delivery to the Agency using Lean methods and tools, and focusing on high value, effective initiatives.

DESKTOP REFRESH

In 2010, SAMA conducted an Agency-wide desktop refresh project, which saw all Agency computers replaced with updated models and updated software.

SAMAVIEW

SAMAView, the Agency's website application that allows the general public access to individual property assessment information for all SAMA client jurisdictions, will continue to be a major part of SAMA's efforts to communicate efficiently and effectively with municipalities and property owners. This website visually presents assessment information, using easy to understand maps. It empowers the Agency to efficiently communicate -- to the public -- relevant revaluation and property assessment information.

KEY 2010 INITIATIVES FOR BUILDING FUTURE TECHNOLOGY CAPACITY INCLUDE:

- Govern Upgrade (Govern Income Implementation) – SAMA's Govern software system is a Computer-Assisted Mass Appraisal (CAMA) system that centralizes information critical to the organization's processes.
- Implemented Tenrox Time Reporting Software – Upgraded the staff's performance measurements standards.
- Virtual Server Implementation – A project that will save SAMA money in the future by better utilizing server hardware.
- 2013 IS Revaluation – SAMA's Information Services Branch is working to prepare for the upcoming 2013 Revaluation.

HUMAN RESOURCES

As of January 2011, the Agency employed 152.25 permanent positions excluding Moose Jaw, 111.5 of which were in the Assessment Services division.

Items of note for 2010:

- Completion of an Agency Pandemic Plan;
- Organizational restructuring which resulted in the three divisions of Human Resources, Communications and Information Services being combined into one Administration Division, and an overall workforce reduction of approximately 14%;
- Implementation of an updated employee orientation program;
- SAMA hosted the Human Resources stream of the Canadian Directors of Assessment conference held in Regina in July;
- Implementation of a new time reporting and leave tracking system; and
- An Agency-wide staff meeting in October.

▶ WORKFORCE PLANNING

The Agency continues to address workforce planning by:

- Recruiting people with the right type of attitude and motivation that are committed to their work, and building a high performance work environment that helps retain key talent and fully engages the right people.
- Enhancing the Agency's retention and leadership succession planning to build and sustain a healthy and viable organization.

The Agency's Training Assessment Appraiser Program (TAAP) has now completed its fourth year and has proven to be very successful in its objective to develop future urban appraisers, and address the challenges SAMA has had in the past attracting qualified candidates to regional offices. Through consultation with TAAP participants, the Agency amended the Agreement to provide participants with the option to shorten the original program. The amended Agreement option shortened the original term from five years to four years, and reduced the service commitment to two years upon successful completion.

Five of the remaining regional SAMA employees enrolled in the TAAP program have completed the qualifications to become accredited assessment appraisers, and are in the return-service commitment portion of the TAAP program.

SAMA remains committed to working with Lakeland Community College in Vermilion, Alberta to recruit new personnel. The Agency continues its:

- $5,000 sponsorship program for a limited number of second-year students at Lakeland Community College (students sign an employment commitment to SAMA);
- $500 annual bursary, awarded to a first-year student with the highest grade point average in assessment appraisal studies.

▶ EMPLOYEE SURVEY

In 2009, SAMA conducted its second on-line survey, providing employees with an opportunity to assist the Agency in planning new initiatives and programs, and to measure what gains have been made in the level of employee satisfaction from the first on-line survey in 2007. The survey had an excellent participation rate of 78%. The overall level of employee satisfaction reported in the 2009 survey was 3.61, which showed an increase over the 2007 survey result of 3.32. All scores were rated on a 5-point scale with 1 being the lowest level of satisfaction, and 5 being the highest.

The survey measured 6 dimensions of the work environment:

- Rewards
- Leadership
- People
- Work Processes
- Information and Knowledge
- Change Management

The employee survey and subsequent feedback meetings resulted in many excellent ideas and suggestions. Several issues are being addressed through processes and changes already in progress, while the more complex issues require further planning for long-term success.

Another employee survey will take place in 2011 to check the progress of the Agency's goal of becoming a best practices organization.

▶ EMPHASIS ON TRAINING AND PROFESSIONAL ACCREDITATIONS

Throughout 2010, SAMA continued to place significant emphasis on training and development for all employees. SAMA's employees continue to have considerable success with their attainment of professional accreditations.

The success of SAMA's efforts in providing property assessment services within Saskatchewan depends on the knowledge, skills and expertise of our employees, and the Agency's ability to attract and retain a talented and skilled workforce in a highly competitive market.

CONFIRMATION OF ASSESSMENT ROLLS AND ASSESSMENT AUDIT

The Quality Assurance Division conducted Confirmation Audits of assessment rolls, and Primary Audits for the majority of municipalities in Saskatchewan to determine compliance with the requirements of the municipal Acts, The Assessment Management Agency Act, and the Saskatchewan Assessment Manual. In order to receive a confirmation, a municipality must pass the Confirmation Audit and the Primary Audit.

For the 2010 assessment roll year, SAMA issued Certificates of Confirmation for 755 municipalities (98% of all received returns for 2010). As at March 1, 2011, the 2010 confirmation audit was in progress for 3 municipal assessment rolls, and 17 municipal assessment returns were still outstanding. Quality Assurance Division provided considerable assistance to several municipalities experiencing various problems with their assessment rolls.

2010 CONFIRMED ASSESSED VALUE TOTALS BY TAX STATUS

as at March 1, 2011

URBAN MUNICIPALITIES

	CITIES	TOWNS	VILLAGES
TAXABLE:			
Non-Arable	319,520	695,360	346,235
Other Agricultural	11,186,071	11,431,993	7,503,834
Residential	17,370,904,795	2,997,181,225	599,676,438
Multi-Unit	2,793,522,912	137,581,480	11,232,774
Seasonal Residential	0	21,172,550	14,543,960
Commercial and Industrial	6,821,802,005	706,091,787	93,601,859
Elevators	33,339,435	56,730,394	11,574,825
Railway R/W and Pipeline	37,370,370	13,247,100	14,483,925
Taxable Total	27,068,445,108	3,944,131,889	752,963,850
EXEMPT:			
Non-Arable	6,856,375	285,760	27,760
Other Agricultural	23,053,639	2,596,655	751,952
Residential	189,777,521	83,373,091	13,843,798
Multi-Unit	84,530,006	4,128,266	274,526
Seasonal Residential	0	2,491,720	487,970
Commercial and Industrial	5,979,020,237	1,138,968,585	350,452,185
Elevators	0	231,806	160,875
Railway R/W and Pipeline	33,059,925	4,800,375	2,444,100
Exempt Total	6,316,297,703	1,236,876,258	368,443,166
PROVINCIAL GRANT-IN-LIEU			
Non-Arable	113,040	280	0
Other Agricultural	1,030,185	6,105	5,610
Residential	38,227,700	15,951,950	2,960,790
Multi-Unit	177,211,098	10,215,170	2,520,840
Seasonal Residential	0	0	0
Commercial and Industrial	592,607,772	24,583,000	3,870,000
Elevators	0	0	0
Railway R/W and Pipeline	0	470,850	0
Provincial Grant-in-Lieu Total	809,189,795	51,227,355	9,357,240
FEDERAL GRANT-IN-LIEU			
Non-Arable	0	0	0
Other Agricultural	262,715	102,685	0
Residential	33,839,420	2,570,750	1,528,590
Multi-Unit	39,318,070	266,560	302,540
Seasonal Residential	0	0	0
Commercial and Industrial	213,746,851	19,596,200	3,126,000
Elevators	0	0	0
Railway R/W and Pipeline	6,841,260	0	285,150
Federal Grant-in-Lieu Total	294,008,316	22,536,195	5,242,280

2010 assessed values for Urban, Rural and Northern municipalities are calculated based on the following percentages of assessed value for the June 30, 2006 base year:

Non-Arable Land	40%
Other Agricultural	55%
Residential / Seasonal	70%
Multi-Unit Residential	70%
Commercial and Industrial	100%
Elevators	75%
Railway R/W and Pipeline	75%

2010 CONFIRMED ASSESSED VALUE TOTALS BY TAX STATUS

RESORT VILLAGES	TOTAL URBAN MUNICIPALITIES	RURAL MUNICIPALITIES	NORTHERN MUNICIPALITIES	SASKATCHEWAN [1] TOTAL
87,400	1,448,515	848,587,685	160,360	850,196,560
63,085	30,184,983	8,935,810,345	855,800	8,966,851,128
190,520,240	21,158,282,698	2,334,746,508	219,511,120	23,712,540,326
8,601,600	2,950,938,766	43,248,732	14,532,930	3,008,720,428
430,507,952	466,224,462	799,610,493	75,179,580	1,341,014,535
32,604,700	7,654,100,351	7,069,291,823	361,620,800	15,085,012,974
0	101,644,654	315,792,777	0	417,437,431
25,875	65,127,270	2,317,883,022	242,325	2,383,252,617
662,410,852	32,427,951,699	22,664,971,385	672,102,915	55,765,025,999
65,840	7,235,735	23,086,225	1,999,080	32,321,040
58,135	26,460,381	42,511,575	339,735	69,311,691
4,434,010	291,428,420	1,098,633,070	20,805,190	1,410,866,680
0	88,932,798	1,644,858	830,480	91,408,136
28,980,840	31,960,530	41,743,547	5,018,720	78,722,797
15,061,600	7,483,502,607	890,056,348	133,468,100	8,507,027,055
0	392,681	33,073,128	0	33,465,809
0	40,304,400	181,811,064	0	222,115,464
48,600,425	7,970,217,552	2,312,559,815	162,461,305	10,445,238,672
0	113,320	43,188,320	0	43,301,640
0	1,041,900	3,138,425	0	4,180,325
28,350	57,168,790	1,097,880	198,240	58,464,910
0	189,947,108	0	92,190	190,039,298
3,570	3,570	0	20,440	24,010
832,300	621,893,072	78,755,567	16,095,400	716,744,039
0	0	0	0	0
0	470,850	39,545,025	0	40,015,875
864,220	870,638,610	165,725,217	16,406,270	1,052,770,097
0	0	100,479,360	0	100,479,360
0	365,400	6,837,875	0	7,203,275
0	37,938,760	7,206,150	1,687,070	46,831,980
0	39,887,170	5,331,480	0	45,218,650
0	0	0	560	560
0	236,469,051	108,362,000	6,042,800	350,873,851
0	0	0	0	0
0	7,126,410	4,992,075	0	12,118,485
0	321,786,791	233,208,940	7,730,430	562,726,161

[1]Assessment rolls for 2010 have not been confirmed as at March 1, 2011 for the following municipalities, therefore their aggregate assessed values are not included in the 2010 assessment totals in the above table:

N. Village of Beauval
N. Village of Sandy Bay
Resort Village of North Grove
Resort Village of Sun Valley
R.M. of Blucher No. 343
R.M. of Hazel Dell No. 335
R.M. of Lost River No. 313
R.M. of Souris Valley No. 007
Town of Allan
Village of Beatty
Village of Bladworth
Village of Duff
Village of Elstow
Village of Gladmar
Village of Glaslyn
Village of Goodeve
Village of Hawarden
Village of Mankota
Village of Primate
Village of Tuxford

as at March 1, 2011

	URBAN MUNICIPALITIES						
	CITIES	RESORTS, TOWNS AND VILLAGES	URBAN MUNICIPALITIES TOTAL	RURAL MUNICIPALITIES TOTAL	NORTHERN MUNICIPALITIES TOTAL	SASKATCHEWAN TOTAL	
2008	18,881,797,166	4,342,753,225	23,224,550,391	17,649,964,868	522,539,919	41,397,055,178	1,4
PERCENT CHANGE 2007-08	2.49	3.19	2.62	1.79	3.78	2.28	
2009	25,991,766,472	5,687,788,404	31,679,554,876	22,709,408,153	684,415,635	55,073,378,664	1,3
PERCENT CHANGE 2008-09	37.66	30.97	36.41	28.67	30.98	33.04	
2010	27,068,445,108	5,359,506,591	32,427,951,699	22,664,971,385	672,102,915	55,765,025,999	1,2
PERCENT CHANGE 2009-10	4.14	-5.77	2.36	-0.20	-1.80	1.26	

[1]2008 -2010 assessed values are calculated based on the following percentages for Urban, Rural and Northern Municipalities:

Non-Arable Land	40%	Commercial and Industrial	100%
Other Agricultural	55%	Elevators	75%
Residential/Seasonal	70%	Railway R/W and Pipeline	75%
Multi-Unit Residential	70%		

[2]Assessment rolls for 2010 have not been confirmed as at March 1, 2011 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2010 assessment totals in the table on the previous pages:

N. Village of Beauval	R.M. of Souris Valley No. 007	Village of Glaslyn
N. Village of Sandy Bay	Town of Allan	Village of Goodeve
Resort Village of North Grove	Village of Beatty	Village of Hawarden
Resort Village of Sun Valley	Village of Bladworth	Village of Mankota
R.M. of Blucher No. 343	Village of Duff	Village of Primate
R.M. of Hazel Dell No. 335	Village of Elstow	Village of Tuxford
R.M. of Lost River No. 313	Village of Gladmar	

[3]Assessment rolls for 2009 have not been confirmed as at March 1, 2011 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2009 assessment totals in the above table:

Village of Duff	Village of Netherhill	Village of Gladmar
N. Village of Pelican Narrows		

[4]Assessment rolls for 2008 have not been confirmed as at March 1, 2011 for the following municipalities, therefore their aggregate taxable assessed values are not included in the 2008 assessment totals in the above table:

Village of Duff	Village of Gladmar

▶ CITY ADVISORY COMMITTEE - AS AT DECEMBER 31, 2010

The City Advisory Committee is responsible for cities with a population exceeding 30,000 (Moose Jaw, Prince Albert, Regina, and Saskatoon).

CITY ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Fred Clipsham, Committee Chair	SAMA Board Member, City Sector
Neal Hardy	SAMA Board Chair
John Wagner	SAMA Board Member
Glenn Hagel	City of Moose Jaw
Garry McKay	City of Moose Jaw
Darren Whitehead	City of Prince Albert
Greg Dionne	City of Prince Albert
Pat Fiacco	City of Regina
Don Barr	City of Regina
Pat Lorje	City of Saskatoon
Marlys Bilanski	City of Saskatoon
Allan Earle	Saskatchewan Urban Municipalities Association, President
Vicky Bonnell	Saskatchewan School Boards Association, Trustee
Charla Weber	Saskatchewan Assessment Appraisers' Association

OBSERVERS:	
Vacant	Ministry of Municipal Affairs
John Edwards	Ministry of Municipal Affairs
Rod Quintin	Saskatchewan School Boards Association, Administrator
Laurent Mougeot	Saskatchewan Urban Municipalities Association, Executive Director
Ray Goruick	City of Moose Jaw
Brian Moore	City of Prince Albert
Joe Day	City of Prince Albert
Deborah Bryden	City of Regina
Gerry Krismer	City of Regina
Les Smith	City of Saskatoon
Vacant	City of Saskatoon

ADMINISTRATIVE SUPPORT:	
Irwin Blank, CEO	SAMA
Shaun Cooney, Committee Secretary	SAMA

▶ COMMERCIAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2010

The Commercial Advisory Committee is responsible for reviewing policies and practices respecting assessment, especially as they relate to commercial property, and to make recommendations to the Board concerning these policies and practices.

COMMERCIAL ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Neal Hardy, Committee Chair	SAMA Board Chair
Sharon Armstrong (non-voting)	SAMA Board Member, Urban Sector
Ray Orb (non-voting)	SAMA Board Member, Rural Sector
Jim Angus (non-voting)	SAMA Board Member
Myron Knafelc (non-voting)	SAMA Board Member
John Kearley	Saskatoon Broadway Business Improvement District
Michael Huber	Regina Downtown Business Improvement District
Adrienne Jensen	Saskatoon Regional Economic Development Authority
Rob Lawrence	Association of Saskatchewan REALTORS
Vacant	Association of Saskatchewan REALTORS
James Camplin	Saskatchewan Chamber of Commerce
John Hopkins	Regina & District Chamber of Commerce
Marilyn Braun-Pollon	Canadian Federation of Independent Business
Kerry Hidalgo	Building Owners and Managers Association
Frank Zinner	Canadian Property Tax Association
Alan Thomarat	Saskatchewan Home Builders' Association
Tom Mullin	Saskatchewan Hotel & Hospitality Association
Rick Jukes	National Golf Course Owners Association, Saskatchewan Chapter
Andy Travers	Inland Terminal Association of Canada
Rod Braddock	Western Grain Elevator Association Tax Committee
Ken Marsh	Canadian Energy Pipeline Association
Devin Wagner	Canadian Association of Petroleum Producers
Kelly Currie	Saskatchewan Mining Association
Kevin Olmstead	Railway Association of Canada
Curt Koethler	Tourism Saskatchewan
Robert Schultze	Saskatchewan Assessment Appraisers' Association
Grace Muzyka	Saskatchewan Association of the Appraisal Institute of Canada

▶ COMMERCIAL ADVISORY COMMITTEE MEMBERS (continued)

MEMBER	ORGANIZATION
OBSERVERS:	
Norm Magnin	Ministry of Municipal Affairs
Jeremy Karwandy	Ministry of Enterprise Saskatchewan
Cam Pelzer	Ministry of Tourism, Parks, Culture and Sport
Gerry Krismer	City of Regina
Les Smith	City of Saskatoon
Brian Moore	City of Prince Albert
Vacant	City of Moose Jaw
Cameron Duncan	City of North Battleford
Michael Kehler	City of Swift Current
Irwin Blank	SAMA CEO
ADMINISTRATION:	
Stuart McDonald, Committee Secretary	SAMA

▶ RURAL ADVISORY COMMITTEE - AS AT DECEMBER 31, 2010

The Rural Advisory Committee is responsible for rural municipalities.

RURAL ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
John Wagner, Committee Chair	SAMA Board Member, Rural Sector
Neal Hardy	SAMA Board Chair
Ray Orb	SAMA Board Member, Rural Sector
Jim Angus	SAMA Board Member
Allan LaRose	R.M. of Hazelwood No. 94
Delbert Schmidt	R.M. of Longlaketon No. 219
Morgan Powell	R.M. of Miry Creek No. 229
David Popowich	R.M. of Good Lake No. 274
Gordon Meyer	R.M. of Progress No. 351
Doug Oleksyn	R.M. of Shellbrook No. 493
Darryl Senecal	Saskatchewan Association of Rural Municipalities, Board Member
George Watson	Provincial Association of Resort Communities
Janet Foord	Saskatchewan School Boards Association, Trustee
Della Schmidt	Saskatchewan Assessment Appraisers' Association

OBSERVERS:	
Janet Laich	Ministry of Municipal Affairs
Ken Engel	Saskatchewan Association of Rural Municipalities, Executive Director
Maureen Sample	Saskatchewan School Boards Association, Administrator
Kim McIvor	Rural Municipal Administrators Association of Saskatchewan
Barb Zelinski	R.M. of Corman Park No. 344, Administrator
Irwin Blank	SAMA CEO

ADMINISTRATIVE SUPPORT:	
Steve Suchan, Committee Secretary	SAMA

▶ URBAN ADVISORY COMMITTEE - AS AT DECEMBER 31, 2010

The Urban Advisory Committee is responsible for urban and northern municipalities, excluding cities with a population exceeding 30,000.

URBAN ADVISORY COMMITTEE MEMBERS

MEMBER	ORGANIZATION
Sharon Armstrong, Committee Chair	SAMA Board Member, Urban Sector
Neal Hardy	SAMA Board Chair
Fred Clipsham	SAMA Board Member, City Sector
Myron Knafelc	SAMA Board Member
Malcolm Eaton	City of Humboldt
Rod Beatty	City of Estevan
Fran Passmore	Town of White City
Paul Topola	Town of Assiniboia
Roni Goulet	Village of Buena Vista
Randy Christie	Village of Dysart
Allan Earle	Saskatchewan Urban Municipalities Association, President
Vern Noble	Provincial Association of Resort Communities of Saskatchewan
Grant Gustafson	Saskatchewan School Boards Association, Trustee
Michael Kehler	Saskatchewan Assessment Appraisers' Association

OBSERVERS:	
Kelly Munce	Ministry of Municipal Affairs
Laurent Mougeot	Saskatchewan Urban Municipalities Association, Executive Director
Curt Van Parys	Saskatchewan School Boards Association, Administrator
Rodney Audette	Urban Municipalities Administrators Association of Saskatchewan
Garry McKay	City of Moose Jaw, Manager
Irwin Blank, CEO	SAMA

ADMINISTRATIVE SUPPORT:	
Todd Treslan, Committee Secretary	SAMA

▶ INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Saskatchewan Assessment Management Agency

We have audited the accompanying financial statements of **Saskatchewan Assessment Management Agency,** which comprise the balance sheet as at **December 31, 2010,** and the statements of revenues and expenses and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of **Saskatchewan Assessment Management Agency** as at **December 31, 2010,** and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Regina, Saskatchewan
February 25, 2011

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

BALANCE SHEET

As at December 31, 2010

	2010	2009
CURRENT ASSETS		
Cash	$ 104,942	$ 1,581,723
Accounts receivable and accrued interest	101,848	93,023
Municipal requisition receivable	15,823	9,840
Saskatchewan Education grant receivable	-	1,291,500
Province of Saskatchewan grant receivable	1,391,250	-
Prepaid expenses	255,458	288,512
	1,869,321	3,264,598
CAPITAL ASSETS (Note 5)	2,850,726	3,223,352
INTANGIBLE ASSET (Note 6)	110,308	-
	$ 4,830,355	$ 6,487,950
CURRENT LIABILITIES		
Accounts payable	$ 862,707	$ 449,590
Deferred revenue	117,474	1,010,821
Current portion of deferred contributions related to SPAN (Note 8)	578,752	578,752
Current portion of obligation under capital lease (Note 9)	54,288	-
	1,613,221	2,039,163
DEFERRED CONTRIBUTIONS (Note 7)	-	229,963
DEFERRED CONTRIBUTIONS RELATED TO SPAN (Note 8)	1,736,253	2,315,005
OBLIGATIONS UNDER CAPITAL LEASE (Note 9)	73,824	-
	3,423,298	4,584,131
NET ASSETS		
Capital fund	517,917	329,595
Operating fund		
Reserves (Note 10)	781,077	1,386,454
Unrestricted	108,063	187,770
	889,140	1,574,224
	1,407,057	1,903,819
	$ 4,830,355	$ 6,487,950

See accompanying notes

APPROVED BY THE BOARD

Director

Director

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE - OPERATING FUND

Year ended December 31, 2010

	Budget 2010 (Unaudited)	Actual 2010	Actual 2009
REVENUES			
Province of Saskatchewan operating grant	$ 10,625,000	$ 9,565,000	$ 6,320,000
Province of Saskatchewan restricted grant (Note 7)	-	229,963	296,670
Municipal requisitions	5,787,730	5,798,343	5,787,477
Requisitions from Saskatchewan Education on behalf of school divisions	-	-	4 ,305,000
Fees	245,000	320,468	267,171
Interest	120,000	5,604	(146)
Appraisal and assessment services	425,000	465,952	519,032
Miscellaneous	35,950	65,930	48,880
	17,238,680	16,451,260	17,544,084
EXPENSES			
Aerial photography	86,940	60,000	60,000
Bank charges	17,510	20,652	32,234
Communications	21,210	30,079	22,855
Computer software and supplies	1,237,200	895,521	1,160,351
Insurance	24,780	19,336	19,259
Land titles information	231,780	193,719	206,006
Office	549,740	452,762	529,566
Printing	195,290	88,448	111,060
Professional	93,660	213,181	261,894
Rent	880,530	898,539	914,282
Salaries and benefits	13,056,450	12,901,310	13,099,408
Staff training and development	282,160	204,380	275,509
Travel and accommodation	805,100	652,855	840,872
	17,482,350	16,630,782	17,533,296
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSE	(243,670)	(179,522)	10,788
Inter-fund transfers			
Capital asset purchases	(156,330)	(385,226)	(131,825)
Intangible asset purchase	-	(120,336)	-
Operating fund balance, beginning of year	-	1,574,224	1,695,261
Operating fund balance, end of year	(400,000)	889,140	1,574,224
Reserves (Note 10)	400,000	(781,077)	(1,386,454)
UNRESTRICTED FUND BALANCE, END OF YEAR	$ -	$ 108,063	$ 187,770

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE - CAPITAL FUND

Year ended December 31, 2010

	Actual 2010	Actual 2009
REVENUES		
Province of Saskatchewan restricted grant (Note 8)	$ 578,752	$ 558,721
EXPENSES		
Amortization of capital assets (Note 5)	885,964	721,574
Amortization of intangible assets (Note 6)	10,028	-
EXPENSES OVER REVENUES	(317,240)	(16,853)
Inter-fund transfers		
For purchase of capital assets	385,226	131,825
For purchase of intangible assets	120,336	-
CAPITAL FUND, BEGINNING OF YEAR	329,595	360,623
CAPITAL FUND, END OF YEAR	$ 517,917	$ 329,595

See accompanying notes

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

STATEMENT OF CASH FLOWS

Year ended December 31, 2010

	2010	2009
OPERATING		
(Deficiency) excess of revenues over expenses:		
Operating fund	**$ (179,522)**	$ 10,788
Capital fund	**(317,240)**	(162,853)
Items not affecting cash		
Amortization of capital assets (Note 5)	**885,964**	721,574
Amortization of intangible asset (Note 6)	**10,028**	-
Amortization of deferred SPAN contributions (Note 8)	**(578,752)**	(558,721)
	(179,522)	10,788
Changes in non-cash working capital		
Accounts receivable and accrued interest	**(8,825)**	197,682
Municipal requisitions receivable	**(5,983)**	-
Saskatchewan Education grant receivable	**1,291,500**	(135,000)
Province of Saskatchewan grant receivable	**(1,391,250)**	550,000
Prepaid expenses	**33,054**	(46,432)
Accounts payable	**413,117**	(188,204)
Deferred revenue	**(893,347)**	806,281
Deferred contributions (Note 7)	**(229,963)**	33,330
	(971,219)	1,228,445
INVESTING		
Purchase of capital assets	**(385,226)**	(131,825)
Purchase of intangible asset	**(120,336)**	-
	(505,562)	(131,825)
(DECREASE) INCREASE IN CASH	**(1,476,781)**	1,096,620
CASH, BEGINNING OF YEAR	**1,581,723**	485,103
CASH, END OF YEAR	**$ 104,942**	$ 1,581,723

See accompanying notes

SASKATCHEWAN ASSESSMENT MANAGEMENT AGENCY

NOTES TO THE FINANCIAL STATEMENTS

Year ended December 31, 2010

1. STATUTORY AUTHORITY

The Saskatchewan Assessment Management Agency (the "Agency") was established under the authority of *The Assessment Management Agency Act* (the "Act") on March 1, 1987. The Agency is exempt from income taxes pursuant to Section 149 of The Income Tax Act.

2. FUTURE ACCOUNTING CHANGES

The Accounting Standards Board ("AcSB") has approved a new framework for not-for-profit organizations that is based on existing Canadian generally accepted accounting principles ("GAAP") and incorporates the 4400 series of standards which relate to situations unique to the not-for-profit world. The new standards are available as of December 31, 2010 as part III of the Canadian Institute of Chartered Accountants ("CICA") Handbook – Accounting and are effective for reporting periods beginning on or after January 1, 2012. Early adoption is permitted. The changes to the standards are not expected to have a large impact on the Agency's current accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with GAAP and reflect the following significant accounting principles:

a) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

b) Fund Accounting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations using the restricted fund method of reporting restricted contribution.

The Operating Fund accounts for the Agency's program delivery and administrative activities.

The Capital Fund reports the assets, revenue and expenses related to the Agency's capital assets.

c) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the diminishing balance method, except for leasehold improvements, mainframe computer equipment and the SPAN system, which are being amortized using the straight-line method over the lease term and lives of the assets, respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Intangible Asset

The Agency has no intangible assets with an indefinite life. Other intangible assets are accounted for at cost. Amortization is based on their estimated useful life using the straight line method.

e) Computer Software Development Costs

Computer software development costs are expensed unless they meet the criteria for capitalization provided for under GAAP. Costs are capitalized only to the extent that their recovery is reasonably assured. These costs are amortized over the anticipated period of benefit beginning when the development reaches substantial completion.

f) SPAN Development Costs

Expenditures related to the development of the Saskatchewan Property Assessment Network ("SPAN") were capitalized. The project, which began in June 2002 and was substantially completed in January 2005, allowed the Agency to modernize the computer system used for provincial property assessment. Costs directly related to the project have been capitalized, with the exception of those related to training. The determination of future benefit to be realized from the project is one that involves significant management judgment.

g) Reserves

Reserves are established by Board approval through appropriations of unrestricted net assets.

h) Revenue Recognition

The Agency follows the deferral method of accounting for grants and other contributions received from the Province of Saskatchewan. Approved operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued.

Externally restricted contributions for future expenses are recognized as revenue in the year in which the related expenses are incurred. Externally restricted contributions for capital assets are deferred and recognized as revenue in the period the related amortization of the capital assets occurs.

i) Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Agency's designation of such instruments. Trade date accounting is used.

Classification:

Cash	Held-for-trading
Accounts receivable and accrued interest	Loans and receivables
Municipal requisition receivable	Loans and receivables
Grants receivable	Loans and receivables
Accounts payable	Other liabilities
Obligation under capital lease	Other liabilities

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial Instruments (continued)

Loans and receivables

Loans and receivables are recorded at amortized cost using the effective interest method.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities other than derivative instruments.

Foreign exchange risk

The Agency does not have any significant exposure to foreign exchange risk.

Interest rate risk

The Agency is exposed to interest rate risk arising from fluctuations in interest rates and the degree of volatility in these rates. The Agency does not use derivative instruments to reduce its exposure to interest rate risk.

Credit risk

The Agency is not dependent on any single customer or group of customers. There is no concentration of credit risk related to the Agency's accounts receivable.

4. CHANGE IN ACCOUNTING POLICY

Goodwill and Intangible Assets

Effective January 1, 2010, the Agency adopted the CICA Handbook Section 3064 "Goodwill and intangible assets". This Section provides further information on the recognition of internally generated intangible assets and requires intangible assets to be recorded if the definition of an intangible asset and the recognition criteria are met. It also requires that intangible assets be seperately disclosed from other capital assets. This accounting policy was applied retrospectively and there was no impact on prior year financial statements.

5. CAPITAL ASSETS

	December 31, 2010			
	Rate	Cost	Accumulated Amortization	Net Book Value
Mainframe computer equipment	1/5	$ 113,955	$ 113,955	$ -
Desktop computer equipment	40%	2,426,535	2,053,582	**372,953**
Furniture and equipment	20%	781,109	647,253	**133,856**
Leasehold improvements	1/5	512,448	483,536	**28,912**
SPAN system	1/10	5,940,000	3,624,995	**2,315,005**
		$ 9,774,047	$ 6,923,321	**$ 2,850,726**

	December 31, 2009			
	Rate	Cost	Accumulated Amortization	Net Book Value
Mainframe computer equipment	1/5	$ 113,955	$ 113,955	$ -
Desktop computer equipment	40%	1,929,732	1,795,562	134,170
Furniture and equipment	20%	765,158	613,789	151,369
Leasehold improvements	1/5	511,863	467,807	44,056
SPAN system	1/10	5,940,000	3,046,243	2,893,757
		$ 9,260,708	$ 6,037,356	$ 3,223,352

5. CAPITAL ASSETS (continued)

Amortization expense for the year comprised the following:

	2010	2009
Amortization of equipment and leasehold improvements	$ 307,212	$ 142,822
Amortization of SPAN system	578,752	578,752
	$ 885,964	$ 721,574

6. INTANGIBLE ASSET

	December 31, 2010			
	Rate	Cost	Accumulated Amortization	Net Book Value
Computer software	1/3	$ 120,336	$ 10,028	$ 110,308

Amortization expense of the intangible asset for the year was $10,028 (2009 - $nil)

7. DEFERRED CONTRIBUTIONS

Under Section 18(3) of the Act, the Agency is entitled to receive additional funding from the Province of Saskatchewan subject to any terms and conditions that the Minister may prescribe. A restricted contribution has been received for the development of the 'income approach' for commercial assessment. The Agency is required to demonstrate to the Province of Saskatchewan that the conditions attached to the funding are being met. Deferred contributions represent unspent resources from this externally restricted funding. Provincial government funding for the development of the income approach ended in 2009.

	2010	2009
Deferred contributions, beginning of year	$ 229,963	$ 196,633
Restricted contribution received during the year	-	330,000
Eligible expenditures during the year	(229,963)	(296,670)
Deferred contributions, end of year	$ -	$ 229,963

8. DEFERRED CONTRIBUTIONS RELATED TO SPAN

In 2007, the Agency received a restricted contribution for the development and implementation of SPAN. The Agency is required to demonstrate to the Province that the conditions attached to the funding are being met.

	2010	2009
Deferred contributions, beginning of year	$ 2,893,757	$ 3,452,478
Amortization of deferred contributions	(578,752)	(558,721)
Deferred contributions, end of year	2,315,005	2,893,757
Current portion	(578,752)	(578,752)
	$ 1,736,253	$ 2,315,005

9. OBLIGATION UNDER CAPITAL LEASE

	2010	2009
Lease contract, repayble in monthly instalments of $5,171 including interest at 7.5%.	$ 128,112	$ -
	128,112	-
Current portion	(54,288)	-
	$ 73,824	$ -

Future minimum payments under capital leases together with the balance of the obligation due under the capital leases are as follows for the years ending in:

2011	$ 62,055
2012	62,055
2013	15,514
	139,624
Less amounts representing interest	11,512
	128,112
Current portion	54,288
	$ 73,824

10. INTERNALLY RESTRICTED RESERVES

	2010	2009
Reserves, beginning of year	$ 1,386,454	$ 1,456,683
Reserves made during the year	311,440	427,491
Approved expenditures made during the year (net of transfers)	(916,817)	(497,720)
Reserves, end of year	$ 781,077	$ 1,386,454

The balance in reserves at December 31 comprised the following:

Reserve for communications	$ 35,000	$ 50,000
Reserve for computer enhancements	103,803	618,803
Reserve for professional fees	402,073	487,651
Reserve for travel	115,000	230,000
Reserve for restructuring	125,201	-
	$ 781,077	$ 1,386,454

a) Reserve for Communications

A reserve has been established to provide for the purchase of goods and services required for communication related to the assessment revaluation system. In 2010, $25,000 (2009 – $nil) was transferred to the reserve and $40,000 was transferred out of the reserve and into the restructuring reserve.

b) Reserve for Computer Enhancements

A reserve has been established to provide for the purchase of computer software, equipment and services necessary for assessment processes. In 2010, $75,000 (2009 – $313,800) was transferred to the reserve, and $395,000 was transferred out of the reserve and into the restructuring reserve and approved expenditures were $195,000 (2009 – $185,737).

10. INTERNALLY RESTRICTED RESERVES (continued)

c) Reserve for Professional Fees

A reserve has been established to provide for the purchase of legal, appraisal and other professional services related to property appeals, support of value, GIS development and recruitment and retention. In 2010, $211,440 (2009 - $114,410) was transferred to the reserve, and $180,000 was transferred out of the reserve and into the restructuring reserve and approved expenditures were $117,018 (2009 – $311,982).

d) Reserve for Travel

A reserve has been established to provide for travel costs that will be incurred relating to the physical reinspection of property in municipalities. In 2010, $115,000 was transferred out of the reserve and into the restructuring reserve.

e) Reserve for Restructuring

A new reserve for restrucuring has been established to provide for the payment of severance packages to employees, due to budgetary constraints in provincial funding during the year. During the year $40,000 was transferred in from the reserve for communications, $395,000 was transferred in from the reserve for computer enhancements, $180,000 was transferred in from the reserve for professional fees and $115,000 was transferred in from the reserve for travel for a total of $730,000. Approved expenditures during the year were $604,799.

11. COMMITMENTS

The Agency has leased premises in locations in Regina, Saskatoon, Yorkton, Weyburn, Melfort, Swift Current, Moose Jaw and North Battleford. The leases are to expire between 2011 and 2016. Annual lease payments over the next five years are as follows:

2011	$ 761,264
2012	709,289
2013	155,666
2014	150,496
2015	151,703

The Agency has entered into an agreement dated March 11, 2010 with a software provider. The total commitment by the Agency is $32,438 to be paid each year from 2011 to 2012.

12. PENSION EXPENSE

Employees of the Agency belong to one of two pension plans. Employees hired after October 1, 1977, make contributions to the Public Employees Pension Plan ("PEPP"), a defined contribution plan. Funding requirements are established by The Superannuation (Supplementary Provisions) Act and employee contributions are matched by the Agency. Employees hired prior to October 1, 1977, who did not elect to transfer to the PEPP by October 1, 1978, make contributions to the Public Service Superannuation Plan ("PSSP"), a defined-benefit plan. The plan provides for pensions at retirement that are based on employees' years of service and their highest five years' earnings. Pension obligations for this plan are the responsibility of the Province of Saskatchewan's General Revenue Fund.

The total pension cost to the Agency for employees in PEPP was $656,342 (2009 - $702,654).

13. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Agency by virtue of significant influence by the Province of Saskatchewan, non-Crown corporations and enterprises subject to joint control and significant influence by the Province of Saskatchewan and investee corporations accounted for under the equity method (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year-end are as follows:

	2010	2009
Operating expenses	$ 1,804,483	$ 1,984,272
Accounts receivable	-	48
Accounts payable	40,384	47,177

In addition, the Agency pays Saskatchewan Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other amounts and transactions due to (from) related parties and the terms of settlement are described separately in these financial statements and notes thereto.

14. ECONOMIC DEPENDENCE

The Agency is economically dependent on the Province of Saskatchewan due to the extent of its funding of the Agency's operations (59%) (2009 – 60%).

15. CAPITAL MANAGEMENT

The Agency relies primarily on grants from the Province of Saskatchewan, and requisitions from municipalities. The Agency uses the funds available to provide governance and property assessment services for provincial and local governments in the Province of Saskatchewan.

Reserves (Note 10) for anticipated future costs are authorized by the Board of Directors. Contributions to and expenditures from reserves are made in accordance with the terms and conditions established by the Board of Directors.

16. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the presentation adopted for the current year.

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